

# **DIVISION OF ACCOUNTS AND REPORTS POLICY AND PROCEDURE MANUAL**

Revision Date 11/06/98

Date Issued 09/73

*Revisions throughout*

Filing Number 9,100

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## **SUBJECT**

Change Funds (from Imprest Funds)

## **PURPOSE**

To specify procedures and conditions under which a change fund may be established and maintained.

## **AUTHORITATIVE REFERENCE**

K.S.A. 75-3078 specifies the procedures and conditions under which change funds may be established out of imprest funds.

## **GENERAL INFORMATION**

In the case of each change fund authorized for a state educational institution under the supervision and control of the State Board of Regents, a maximum not to exceed \$40,000 may be approved. Change funds for other agencies are limited to a maximum not to exceed \$5,000.

Moneys in any change fund authorized hereunder shall be used exclusively for the making of change in receiving amounts due the state. Change funds are not to be used for employee check cashing or loan purposes or for petty cash fund uses as provided for in P.P.M. filing 10,752, "Petty Cash Fund Procedures."

The Director of Accounts and Reports may authorize a reconciling entry not to exceed \$100 in any reconciliation statement for a change fund and, in cases of extraordinary losses resulting from robbery, burglary or other disappearances infrequently occurring, from an appropriate agency fund. However, such reimbursements shall not exceed a total amount of \$2,000 in any fiscal year.

If the agency wishes to establish a change fund, but has no imprest fund, see P.P.M. filing 10,802, Imprest Funds.

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## **PROCEDURES**

<b>Agency</b>	<b>Action Step</b>
Agency	<ol style="list-style-type: none"><li>1. Prepare form DA-74, Application to Establish a Change Fund.<ol style="list-style-type: none"><li>a. Appoint a custodian, alternate custodian, and supervising employees to administer the change fund. Notify the Division of Accounts and Reports promptly of any substitutions of such persons.</li><li>b. Provide suitable security for the change fund consistent with its effective use.</li></ol></li><li>2. Send two copies of the completed form DA-74 to the Division of Accounts and Reports.</li></ol>
Accounts and Reports	<ol style="list-style-type: none"><li>3. Review form DA-74, and approve or disapprove as appropriate.</li><li>4. Return the original application to the agency.</li><li>5. File approved copy of form DA-74 as a permanent record of outstanding change funds and as a source against which to verify vouchers to replenish shortages reported by agencies.</li></ol>
Agency	<ol style="list-style-type: none"><li>6. Upon receipt of approved form DA-74, prepare a check on the imprest fund account for the approved amount, payable to the change fund custodian.</li><li>7. The custodian should cash the check and provide the security for the cash as provided in the application.</li><li>8. Count the change fund at least once daily and record the results of such count on form DA-76, Record of Cash "Long" or "Short".</li></ol>

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9. Prepare form DA-75, Reconciliation of Change Fund when:
  - a. Any shortage approaches \$100; or
  - b. As of June 30 of each year regardless of “Long” or “Short” condition. This reconciliation should be maintained at the agency and available for Accounts and Reports review upon request.
10. Prepare form DA-120, payment voucher, for the amount of the shortage, payable to “Custodian of change fund no. \_\_\_\_” and charge to an appropriate agency fund.
11. Attach the DA-75 reconciliation to form DA-120 and forward to the Audit Services Team of the Division of Accounts and Reports. Agencies with delegated audit authority should process the document in accordance with the agency’s procedures.
12. Review and process the payment voucher and issue a warrant.

Accounts and  
Reports

## **CONTACT SOURCES**

Division of Accounts and Reports  
Central Accounting Services Section  
Audit Services Team